State Bureaucratic Discretion and the Administration of Social Welfare Programs: The Case of Social Security Disability

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ABSTRACT

The impact of the bureaucracy on policy programs through the use of discretion has been both applauded and bemoaned by scholars. By examining variation in the implementation of the Social Security Disability program in the fifty states, this article explores the impact of state level environmental characteristics on the use of discretion. Specifically this article tests whether street-level bureaucracies respond to local economic, political, and task factors. The case of Social Security Disability is particularly interesting because state officials have an incentive to increase the number of disability recipients since the federal government funds the entire program. The findings in the article indicate that variation in the implementation of the Social Security Disability program is a function of levels of need for benefits, the health of the economy, and state partisan politics. Taken together the findings suggest that professional norms play a large role in directing the ways that street-level bureaucrats use their discretion. The implementation of the Social Security program is not, however, apolitical. While the bureaucracy is professional, it is also responsive to local political concerns. Although street-level bureaucracies seem open to influence from political officials, they do not respond to fiscal stress on state governments nor to high levels of social commitments. This indicates that state governments do not use the disability program strategically, but play a more indirect role by creating an environment that is ideologically more or less generous with regard to social welfare programs.

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Although bureaucracies do not have the constitutional power to write legislation, through the implementation process, bureaucracies translate the broad mandates of legislatures into the policies citizens actually experience. Because legislatures cannot provide rules for every experience, the bureaucracy creates policy through its implementation function (Kerwin 1994; Lowi 1969).

Bureaucracies help determine, therefore, who gets what, when, and how—the central question of politics (Lasswell 1936).

Public agencies are central to the policy process because they exercise discretion in the implementation of policy; for example, bureaucracies exercise choice in administration rather than have their activities dictated by rules (Handler 1992). The use of discretion is especially important in human service bureaucracies, which primarily exert their power through the operation of the nation's welfare programs (Meier 1993). Human service bureaucrats determine which citizens receive welfare benefits and which citizens do not (Handler 1986).

Because of this, the caseworkers who interact directly with clients (street-level bureaucrats) play an especially important role in determining how benefits are distributed. Street-level bureaucrats must transform citizens into clients—take individuals and place them in administrative categories such as "mentally ill," "alcoholic," or "poor" (Prottas 1979). In doing so, street-level bureaucrats act as the gatekeepers into welfare programs. Because many social welfare programs rely on administrative categories that are subjective, street-level bureaucrats have discretion in how social welfare programs are administered. Of course, discretion exists in the administration of all government programs, but human service bureaucracies must deal with especially complex inputs—they process people. This exacerbates the impact of the street-level bureaucrat on the policy process (Hasenfeld 1992).

The role that discretion in street-level bureaucracies plays in the distribution of social welfare programs has been both bemoaned and applauded by scholars studying the bureaucracy. On the one hand, discretion is seen as a positive force that can be used by street-level bureaucrats to stretch the law to respond to clients' needs and to better respond to individual circumstances. Therefore, discretion allows street-level bureaucrats to pursue more equitable outcomes (Handler 1992). For example, students of urban service delivery have traditionally argued that bureaucrats use their discretion to distribute benefits based on professional norms and individual need (Jones 1978; Nivola 1978; Mladenka 1980 and 1981). Because of this, bureaucrats use their discretion primarily to aid those in the most dire circumstances (Danet 1973; Goodsell 1981; Kroeger 1975).

In contrast, other scholars of the bureaucracy have concern over the use of discretion. First, the use of discretion concerns some scholars because it can violate our norm of democratic governance. Bureaucrats, rather than representatives who are

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directly elected, determine the allocation of benefits (Lowi 1964). Second, the use of discretion can be troubling due to the tendency for street-level bureaucrats to engage in behavior that "disentitles" clients (Lipsky 1980). Because they tend to be faced with resource shortages and high caseloads, street-level caseworkers behave in ways that treat clients unequally. For example, street-level bureaucrats can process easy cases instead of difficult ones (*creaming*)—essentially failing to help those who need it the most. Similarly, street-level bureaucrats can ignore proper procedures because they do not have the time or the resources to provide their clients with full services (Prottas 1979). Street-level bureaucrats use their discretion to survive in adverse work settings. This survival, however, can come at the expense of clients who therefore can be denied benefits to which they are legally entitled.

The use of discretion can be especially problematic when federal policies are implemented at the state level. If street-level bureaucracies at the state and local level vary systematically in their use of discretion—where citizens live will determine whether they receive services—then this violates our norm of equitable service. Although we know that there is variation in how federal social welfare programs are implemented in the fifty states, we lack knowledge about why this variation exists. In addition, many federal programs are successful in gaining state cooperation through the use of grants in aid. The incentives this system creates should affect how state-level bureaucracies use their discretion. In this article, I will attempt to increase our understanding of this topic through the examination of bureaucratic discretion in the making of social security disability awards in the fifty states.

A strong body of research has been developed that examines implementation of federal programs across the fifty states. Most of the quantitative empirical work that examines variation in policy outputs in the fifty states focuses, however, on regulatory policy areas (see Moe 1985; Scholz and Wei 1986; Wood and Waterman 1994; Hunter and Waterman 1996; Hedge and Scicchitano 1994) and ignores social welfare bureaucracies (for an exception see Barrilleaux and Miller 1988; Keiser and Soss 1998; Schneider and Jacoby 1996). In addition, much of the research on bureaucratic discretion in social welfare policies has relied on case studies or other observational methods (Schneider and Jacoby 1996). While these have provided detailed insights about complex processes, the examination of systematic, empirical data collected across a substantial number of observational units allows us to rigorously test general theories about bureaucratic behavior in social welfare policy making (Schneider and Jacoby

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1996). Because it is a social welfare program, an analysis of the administration of social security disability will help to fill in this research gap.

In addition, Social Security Disability provides a good case study of the use of discretion in human service bureaucracies because it is a federal program implemented in fifty unique state environments. A case study offers an opportunity to explore the impact of the bureaucratic environment on implementation. A wide variation exists between the states in their disability rates. In 1994, there was a variation from a high of thirty-five beneficiaries on disability per thousand population in Mississippi to a low of thirteen beneficiaries per thousand population in Maryland (U.S. Bureau of the Census 1995).

An understanding of the workings of the bureaucracy that administers Social Security Disability is important in its own right. The decision to award or not to award Social Security Disability has severe life consequences for claimants, often times determining the difference between a reasonable standard of living and abject poverty (Berkowitz 1987; Mudrick 1983). Disability rates also have fiscal consequences for the government. Since the 1970s, both Congress and the different presidential administrations have been concerned with the increase in the number of recipients and the cost of providing benefits to persons with disabilities. For example, the cost of providing benefits to disabled persons under the Supplemental Security Income program (SSI) rose from $5 billion in 1980 to $14.3 billion in 1991 (USHR 1993). Similarly, spending on social security disability insurance (SSDI) increased from $15 billion in 1980 to $31 billion in 1991 (USHR 1993). In response to this growth, federal government officials have at various times attempted to reign in program costs (Derthick 1990). In order to control these programs, it is essential to understand why variation exists in award rates.

SOCIAL SECURITY DISABILITY

In 1956, Congress extended social security to cover persons with disabilities. A disabled person may qualify for two different programs for financial assistance: Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI). To qualify for each program, potential clients must be assessed as unable to work in the same range of jobs as nondisabled people (Roth 1987). Specifically the program requires

> that a person have an impairment of such severity that he is not only unable to do his previous work but cannot, considering his age, education, and

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> work experience engage in any kind of substantial gainful work which exists in the national economy, regardless of whether such work exists in the immediate area in which he lives or whether a specific job vacancy exists for him or whether he would be hired if he applied for work. (Berkowitz 1987)

In addition, to qualify for SSDI, recipients must have paid into Social Security amounts determined by their ages and employment histories. To qualify for SSI, however, an individual must have countable resources below $2,000 (Dolgoff, Feldstein, and Skolnik 1993).

In addition to having different income requirements, SSDI and SSI rely on funding from different sources. Employees provide the funds for the SSDI program through taxes on wages, whereas general revenues of the federal government contribute the funds for the SSI program. However, many states offer a supplement to the SSI benefit out of their own revenues (Dolgoff, Feldstein, and Skolnik 1993).

Despite the dominance of the federal government in funding and setting eligibility requirements (Dolgoff, Feldstein, and Skolnik 1993), the bureaucrats who make initial eligibility decisions work in state offices of rehabilitation (referred to as Disability Determination Services or DDS). Congress gave control over eligibility decisions to state governments to allay fears of conservatives and of the American Medical Association, who feared the nationalization of medical care and the socialization of medicine (Stone 1984). Current reformers who wish to centralize the determination process face opposition from members of Congress who are hesitant to increase the size of the federal bureaucracy or place some state employees in uncertain situations (Berkowitz 1987). Furthermore, if the federal government hired federal bureaucrats as disability examiners, the cost of the program would increase, because federal pay scales are, for the most part, higher than state pay scales (Berkowitz 1987).

In making their decisions, state caseworkers review claimants' files, which include physicians' reports and information from the claimants. The disability examiners base their determinations solely on this paper record, which does not include a photograph of the claimant (Berkowitz 1987). Claimants who have been denied can appeal to administrative law judges (ALJs) who work for the federal government. If claimants are still dissatisfied they can take their cases to the Appeals Council, a centralized administrative office that reviews ALJ decisions. Finally, claimants have appeals rights to federal district court.

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The Use of Discretion in the Granting of Disability

To people who are unfamiliar with the disability process, making a determination about whether or not an applicant is disabled may seem to be a straightforward procedure in which bureaucrats simply apply rules to individuals, but this is far from the truth (DiNitto 1995). In reality, high levels of discretion exist in making the determination, because the concept of disability resists precise definition and measurement (Berkowitz 1987; Derthick 1990). First of all, high levels of uncertainty exist in medical diagnostic decisions that determine whether a patient is considered disabled (Stone 1984). Studies of diagnostic consistency have found much disagreement between physicians over the interpretation of diagnostic tests such as x-rays; the need for a tonsillectomy; the diagnosis of emphysema, heart disease, and a variety of other ailments (see Stone 1984 for a review of these studies). Even if physicians agree on the interpretation of diagnostic tests, patients have a great influence over the results of many clinical tests. Cardiac stress tests and pulmonary function tests require, for example, that the patient perform in a specific way. Consequently, the result of the test is affected by the patient's own efforts (Stone 1984). Furthermore, patients have different tolerance levels for pain. The same ailment may prohibit one patient from working, whereas another patient may not be similarly affected (Stone 1984). The subjectivity in medical decisions is especially pronounced in cases of mental illness (Dow and Boaz 1994). Disagreement between DDS and the Social Security Administration has led to reversal rates during the appeals process of up to 91 percent of all appealed denials in mental illness cases (United States Senate 1983).

In addition to the subjective medical information given to disability determination workers, caseworkers also must take into account a claimant's age and occupational history. This requires subjective decisions by caseworkers (Stone 1984).

Deborah Stone (1984) argues that the high levels of discretion in the Social Security program benefit the government. First, they allow the government to control the labor supply. Governments can weather economic downturns by loosening the eligibility requirements for disability so as to move people from a benefit system that rewards people for work to one that rewards on the basis of need. Second, legislators benefit from flexibility in the program because it allows them to satisfy both constituents who request intervention on their behalf and general pressure from the public to keep social welfare spending low.

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Despite the rewards of a flexible program, federal policy makers have been concerned with the use of discretion in the Social Security Disability program since the program's inception (Stone 1984). In an argument for federal control of the Social Security Disability program, Arthur Altmeyer, the head of the program from 1936 to 1953, stated, "[I]f the determination of disability is left to several different disability boards, the likelihood is that their decision will lack uniformity" (Altmeyer 1942, cited in Berkowitz 1987, 81).

Altmeyer's concerns were justified. Variation exists in determination among the states from year to year. In 1975, for example, New Mexico turned down 61.9 percent of the applications for disability insurance while Iowa rejected only 34.4 percent (Berkowitz 1987, 83). Variation even exists within states over time. In Connecticut, for example state bureaucrats denied 41 percent of applications in 1974 but 63 percent in 1980, despite the fact that no changes in the law had occurred during that period (Berkowitz 1987, 83). Variation in acceptance rates has translated to variation in the number of recipients who receive Social Security Disability in each state (see above). As was mentioned earlier, this variation troubles federal policy makers because of the difficulty the federal government has with program cost control.

Interestingly, although much has been written about this variation in disability rates across the fifty states, little research has examined the role played by the bureaucracy's environment in this variation. Instead most research has focused on differences in administration and has worked toward devising administrative controls of the state bureaucracy (see GAO 1976). This article shifts the focus away from administrative differences to the bureaucracy's environment.

THE BUREAUCRACY AND ITS ENVIRONMENT

Open systems theory argues that bureaucracies respond to the environment in which they exist (Thompson 1967). Like general systems theory, open systems theory views organizations as embedded in a system of inputs, throughputs, and outputs. Open systems theory recognizes that organizations, and therefore bureaucracies, do not exist in a vacuum (Thompson 1967; Meier 1993; Perrow 1972; Rourke 1984). Because their very existence depends on legitimacy from the public at large, public bureaucracies depend heavily on environmental support. When legitimacy does not exist for the bureaucracy's function, the bureaucracy is more likely to face opposition from politicians in terms of funding and continuing administrative authority. Opposition

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from politicians can be deadly for a bureaucracy. Public bureaucracies are created by other public institutions and can be eliminated by those same institutions. Legislative and executive bodies create bureaucracies and can eliminate or reorganize them through legislation and executive orders.

Legitimacy may be even more important for public bureaucracies that deal in human services than for other bureaucracies. Hasenfeld (1992) argues that environmental forces have a larger impact on human service organizations than other organizations because they are more dependent on societal and organizational values and norms than are other bureaucracies. Human service bureaucracies are unique in that they process large numbers of people and make decisions that label citizens as deserving or not deserving. In general, therefore, their functions engender high levels of controversy and environmental pressure. In the case of Social Security Disability, the bureaucracy must determine who legitimately can be excused from work—this is a central question of social welfare policy and evokes society's deepest values (Stone 1984). Because of this, the political and economic environments in which disability examiners exist should affect their use of discretion in granting benefits to clients.

State Level Influence

Although the federal government incurs most of the cost of the disability program, state government employees make decisions that control how much money will flow to the state. Although the federal government tries to control the behavior of disability determiners by creating binding rules, it has little control over the people who apply the rules, because they work for the state (Berkowitz 1987). The state, therefore, exerts, an independent influence on the decisions of street-level bureaucrats. DDS caseworkers seem well aware of this. A state director of DDS stated, for example, that he would "probably be discharged if he follow[ed] a strict interpretation of SSA guidelines" (GAO 1978, cited in Berkowitz 1987, 2). Similarly another employee of a DDS office said, "We are state employees; therefore, we don't have to pay attention to what the SSA regional office . . . or any other federal agency says" (GAO 1978, 7-8, cited in Berkowitz 1987, 82). State governments have aggressively protected their autonomy over the administration of the program. During the Carter administration, the U.S. Department of Health, Education, and Welfare (HEW; now Health and Human Services) requested that the states sign a new contractual agreement that gave the federal government more supervisory power over disability determiners. Among other things, it gave the Secretary of HEW the right to access state agency premises and the authority to set

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educational and other standards for disability examiners (Berkowitz 1987). In response to this, many states simply refused to sign the contract. The state of Wisconsin went so far as to threaten to terminate its contractual agreement with the federal government and to stop making disability determinations (Berkowitz 1987). The federal government backed down from these challenges and allowed states to continue the administration of the program under the existing rules. Given the power over the administration of the disability program that state governments have demonstrated, it seems likely that street-level bureaucrats will be affected by the political, economic, and task environment of their states.

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Political Environment

In the language of principal-agent theory, state bureaucrats exist in a hierarchical relationship with principals at the state level (state legislators and governors). Past research in regulatory policies indicates that bureaucrats implementing federal programs are responsive to influence from state elected officials (Hedge and Scicchitano 1994; Wood and Waterman 1994; Scholz and Wei 1986; Scholz, Twombly, and Headrick 1991).

Like many social welfare programs, Social Security Disability is fairly partisan (Berkowitz 1987; Stone 1984). Since its inception, Democrats have been supportive of the program, while Republicans have been concerned with reducing the rolls and federal involvement. Therefore, states where Democrats have political control should award more disability claims than states where Republicans have control. To control for political pressure, the percent of state legislatures who are Democrats is included in the model (see appendix for sources and measures).

State governments also have a fiscal interest in the administration of the Social Security Disability program. Unlike the federal government, which has an incentive to reduce caseloads, state governments have an interest in increasing them. Most recipients who apply for Social Security Disability face difficulties in gaining employment (Berkowitz 1987). If the Social Security Administration denies these claimants, they may seek grants from other social welfare programs such as Aid to Families with Dependant Children (AFDC) and General Assistance. The states incur a greater percentage of the cost of these programs than does Social Security Disability, which is a federal program (Dolgoff, Feldstein, and Skolnik 1993). Assuming that many claimants of Social Security Disability will be unemployed whether they receive benefits or not, the higher the number of rejected applicants, the higher the burden on state social service

programs. State governments, therefore, have an incentive to incur higher disability caseloads. Through the influencing of street-level discretion, the state can shift citizens who are in need to Social Security Disability from more costly programs (from the state's perspective). The need to do this will vary with changes in the level of stress on state governments. When states are faced with a lack of revenue in relation to spending, they should have an incentive to shift people in need to a program financed by the federal government instead of allowing access to state financed programs. Consequently, in times of state fiscal stress, street-level bureaucrats should grant more disability claims than are granted in states with healthy budgets. Berry and Berry's (1992) fiscal health measure is included in the model so as to control for the effect of fiscal stress on state government (see appendix for sources and measure). This measure captures the degree to which a state government's revenues keep pace with its spending commitments and priorities.

For political, as well as fiscal, reasons, state elected officials are concerned with the number of recipients on social welfare programs. The level of social commitments made by the state should have an impact on the incentive that states have to shift claimants from state sponsored programs to Social Security Disability. Elected officials who represent states with a large number of people who receive AFDC face political pressure to reduce the number of recipients.[1] During the past two decades, cutting welfare rolls has been an effective campaign slogan and has generated a high degree of public support. Because recipients of Social Security (SSDI or SSI) will not apply for AFDC, states, when they are faced with increasing AFDC rolls, should have an incentive to increase the number of people who receive Social Security Disability. These states should grant disability claims at higher rates than do states with stagnant AFDC caseloads. The rate of change in AFDC caseloads for the years 1981 to 1990 is included in the model to test for this possibility (see appendix for sources and measures).

States do not always face an incentive to increase the disability rolls. Because states financially contribute to the disability program when recipients receive a state supplementation to the SSI program, states that pay high supplements will face an economic incentive to reduce the number of favorable applications. The level of contribution state governments make to the disability program should affect the propensity of street-level bureaucrats to award disability. Therefore, states with higher supplements for SSI benefits should grant disability at lower rates than states with lower supplements. The average payment for state supplement to

[1]In 1996 Congress abolished the AFDC program and replaced it with a block grant program called Temporary Aid to Needy Families.

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SSI was included in the model to control for this possibility (see appendix for sources and measures).

Economic Environment

Policy makers long have been concerned that the disability program would turn into an unemployment program during periods of economic downturns (Berkowitz 1987; Stone 1984), when more people are likely to apply for benefits. When job opportunities shrink, individuals who previously worked are likely to become more aware of their limitations—especially if they have been laid off or have had their hours reduced, which threatens their ability to provide for themselves (Howards, Brehm, and Nagi 1980). Since more people apply for benefits during economic downturns, claimants may try to evoke sympathy from physicians in order to receive stronger recommendations from them (Stone 1984). Administrative officials also may become more sympathetic and face increased political pressure from state and federal elected officials to loosen the eligibility requirements.[2] Past research has found support for the link between the economy and disability rates (Galpern 1979; Howards, Brehm, and Nagi 1980). To control for economic downturns, the state unemployment rate is included in the model (see appendix for sources and measures).

Task Environment

Although bureaucratic theory suggests that the use of discretion will be affected by the political and economic environment, street-level bureaucrats can use their discretion to respond to the professional requirements of their jobs. The bureaucracy itself has norms and professional values that constrain the behavior of street-level bureaucrats (Simon 1957). After all, bureaucracies, like all organizations, presumably exist for a reason and can be considered as purposive (Palumbo and Maynard-Moody 1991). Some goals of the bureaucracy include making disability determinations and providing benefits for people who cannot work due to medical conditions. We should expect, therefore, that the higher the level of need in each state (e.g., the more people who are disabled), the more benefit approvals the bureaucracy will grant. Three variables measure the level of need for benefits. First, the percentage of jobs found in the manufacturing sector: Workers in manufacturing jobs are injured on the job at higher rates than workers in other fields (U.S. Department of Labor 1991). Consequently, we should expect that the need for disability will be higher in states that have more citizens working in manufacturing than in states with fewer manufacturing jobs. Second, the percentage of the state population between the ages

[2]Stone (1984) argues that administrative officials (e.g., the staff of disability determination experts) are most likely to impose a strict definition of disability and most likely to identify with the formal program goals of minimizing access to need-based benefits and conserving program resources (p. 162). This ignores, however, the political nature of street-level bureaucrats and treats them as isolated actors in the policy system. Because the bureaucracy requires the support of political principals, street-level bureaucrats should be open to the pressures that economic downturns bring about.

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of fifty-four and sixty-four (see appendix for sources and measures)? As people age, it is more likely that they will become disabled (Rice and Feldman 1983; Chapman, LaPlante, and Wilensky 1986). Because eligibility for Social Security through retirement does not occur until age sixty-five, people between the ages of fifty-four and sixty-four are more likely to apply for and need disability benefits than their younger or older counterparts. Third, the level of poverty: Poverty tends to lead to inadequate health insurance, poor nutrition, and inadequate housing (DiNitto 1995). Consequently poor people are more likely to experience ill health, which prompts them to apply for disability benefits. To test the effects of poverty on disability rates, median family income is included in the model (see appendix for sources and measures).

Methodology

To test the above hypotheses, I examined variations in disability awards between the fifty states in the United States using ordinary least squares regression. Because each state has different economic and political environments, comparing decisions across the fifty states allowed me to examine the link between environmental inputs and street-level decisions.

Dependent Variable

To measure the use of discretion at the state level in the administration of the Social Security Disability program, the percentage of people who receive disability benefits in each state is used. A more appropriate measure would be the percentage of applications that are favorable at the initial stage of the application process. Unfortunately the Social Security Administration does not publish that data. For the purposes of this article, the percentage of people who receive disability benefits will be used as a surrogate.

This measure is problematic, however, because it does not distinguish between new awards, people moving to the state, and the rate of mortality among recipients. In addition, this measure does not isolate the activity of the state bureaucracy. The number of people who receive Social Security Disability reflects decisions by administrative law judges, the Appeals Council, and federal district court. Assuming that the impact of these political actors is constant across states, however, the findings here should still provide preliminary evidence with regard to the above hypotheses.

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FINDINGS

The model explains 78 percent of the variation in disability rates in the fifty states.[3] The hypotheses concerning the economic, political, and task environments all meet with some success. First, disability rates are responsive to state economic conditions. The higher the unemployment rate, the more people receive Social Security Disability. For every 1 percent increase in the unemployment rate, 113 more recipients receive disability per one hundred thousand people in the population (see exhibit).

As well as responding to the economic environment, street-level bureaucrats seem to be responsive to the task environment (the level of need). States with high rates of employment in manufacturing, high numbers of people between the ages of fifty-four and sixty-four, and lower family income have higher numbers of recipients of Social Security Disability than states without these characteristics. For every increase in the percentage of the population between the ages of fifty-four and sixty-four, the disability rate increases by 109 recipients per hundred thousand population. For every percent increase in manufacturing jobs, the

Exhibit
Number of Disability Recipients per 100,000 State Population

Variable	Coefficient	S.E.	T-score
Task Environment			
Manufacturing employment	183.3	72.6	2.52*
Aged population	1094.4	501.5	2.18*
Family income	-0.53	0.08	-5.98*
Political Environment			
Partisanship (Democratic)	62.8	26.3	2.38*
Fiscal stress	-80.0	89.9	-0.89
Social welfare commitment (AFDC)	57.3	453.2	0.12
Social welfare commitment (SSI)	-9.9	6.8	-1.45
Economic Environment			
Unemployment rate	1138.1	369.8	3.07*
Number of cases =	50		
Adjusted R^2 =	.78		
F score =	22.97		
S.E.	2.47		

*p ≤ .05

[3]Regression diagnostics were performed on the model including White's test for heteroscedasticity. No problems were found in the regression diagnostics.

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disability rate increases by eighteen recipients per hundred thousand population. For every dollar increase in median family income, the number of recipients of disability benefits increases by .54 per hundred thousand population.

Like the hypotheses concerning the economic and task environments, the hypothesis concerning the political environment also was successful. Street-level bureaucrats seem responsive to pressure from elected officials. States that have more Democrats among their legislators grant more disability claims than states that have more Republicans.

In contrast to the partisan measure, the measures of fiscal demands on state governments failed to meet with expectations. Street-level bureaucrats do not respond to fiscal pressure on the state government budget. Similarly, the variables that measure social welfare commitments failed to reach significance. AFDC rates and SSI supplement generosity has no impact on the number of claimants who receive Social Security Disability. In short, disability rates at the state level are a function of the economic environment (unemployment rate), the task environment (aged population and percent of employees working in manufacturing), and the political environment (Democratic control of state legislatures).

IMPLICATIONS OF THE FINDINGS

Together, these findings support an open systems view of bureaucracies. The disability determination bureaucracy is open to the environment in which it exists. In fact, most of the variation in disability rates is explained by environmental factors. In reform efforts, policy makers who focus only on administrative changes will never eliminate variation between the states in the implementation of the Social Security Disability program. Unfortunately for those who seek to eliminate variation to achieve more equitable outcomes across the states, policy makers have little control over environmental factors. This suggests that as long as disability decisions are made at the state level we cannot expect administrative reforms to lead to complete uniformity. Although federal employees may be less open to state-level influence, research in regulatory policy areas suggests that even federal employees respond to state-level factors (Scholz, Twombly, and Headrick 1991).

The findings also have implications for how we view the use of discretion by street-level bureaucrats. As was mentioned earlier, two views of discretion exist: Those who hold one view worry that discretion will disentitle claimants (Lipsky 1984;

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Prottas 1979), and those who hold the other view see discretion as a way for bureaucrats to infuse their professional values into the policy process. Although the research design of this article does not allow us to discern how many people who should receive benefits are denied them, it does suggest that professional values play a role in the use of discretion. Levels of need (size of the aged population, employees in manufacturing, and family income) help determine how many people receive benefits. This supports the view that the use of discretion can be a tool to generate equity (Jones 1978; Nivola 1978; Mladenka 1980 and 1981). Street-level bureaucrats who administer disability fit the model of bureaucratic professionalism. For those concerned with the adverse consequences of discretion, these results should be comforting.

Although professional values contribute to bureaucratic uses of discretion, street-level bureaucracies also seem to respond to political pressure. Democratic states seem to be more lenient in the granting of disability claims than are Republican states. This provides support for the notion that the implementation stage of policy making is a continuation of politics (Palumbo and Calista 1990). The politics in a state continue to have an impact on policy long after legislation has been written in the books. As in many regulatory policy areas, such as occupational safety and health, the regulation of the environment (see Scholz and Wei 1986; Wood and Waterman 1994), and some social welfare policies such as the AFDC program (Keiser and Soss 1998), *who* is elected to office affects the types of benefits citizens receive.

This finding should allay the fears of some scholars that bureaucratic power violates the norm of democratic governance. Public agencies cause apprehension among scholars because the agencies exercise high degrees of power but are not directly accountable to the public (Lowi 1969). The findings in this article, together with other research, suggest that bureaucracies can be considered indirectly responsive to the public. As Scholz, Twombly, and Headrick (1991) argue, responsiveness to local partisan influences may restore democratic responsiveness to the policy process that was given up by the national government due to contention over the program (p. 847). Because state-level bureaucracies receive mixed messages from Congress, they must turn to local political principals if they are going to be responsive (Scholz, Twombly, and Headrick 1991). Conflict during policy formation increases, therefore, the likelihood that local partisan forces will be instrumental in policy implementation of federal programs. Research in consensual policy areas—such as child support enforcement—suggests that consensual policy issues are

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not open to local partisan influence during implementation (Keiser 1996).

Of course, local influence is not always a good thing because it violates our norm of equity and opens the process to dominance by local powerful interests (Schattschneider 1960; Selznick 1966). The findings in this article suggest, however, that the use of discretion is affected by both professional values and local politics. Because both equity and political responsiveness are valued, human service bureaucracies seem to have struck a balance between the two in the implementation of the Social Security Disability program.

The findings reveal that the political pressure faced by street-level bureaucrats in the administration of Social Security Disability is more partisan than practical. The hypothesis that states that use of the federal disability program is a way to respond to state government fiscal problems or high state commitments to social services failed to find support. Although street-level bureaucrats are open to partisan influence, they are not open to the practical needs of state government. Although states protect their autonomy over DDS, state governments do not seem to be able to use that autonomy for the benefit of their own social welfare programs and their fiscal health. Instead of responding to political pressure due to fiscal stress or high social welfare commitments, street-level bureaucracies seem to be responding to an environment created by elected officials that is ideologically more or less generous in regard to social welfare programs. Because the dependent variable in this study reflects the decisions of administrative law judges, the Appeals Council, federal district court, and DDS caseworkers, the initial determination decisions may reflect state fiscal need and social welfare commitments. It is possible that street-level bureaucrats at the state level try to use the program strategically but that their efforts are thwarted during the federal appeals process. The federal government appears to be able to undo such strategic behavior, if indeed it does take place. Future research must explore this issue.

Although state disability rates were not responsive to state fiscal need or social commitments, they are responsive to state unemployment rates. As Deborah Stone (1984) argues, the Social Security Disability program provides the government with a way to manage changes in the economy. While it is not surprising that disability rates rise and fall in conjunction with the U.S. economy, the fact that local economic conditions affect implementation suggests a highly responsive bureaucracy. When more people are unemployed in the state, more people apply for

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benefits and more appear deserving to physicians and caseworkers. This may help to mediate the adverse effects of a downward economy for state elected officials. While some may see this as evidence of the state's use of social welfare benefits to thwart revolutionary change by appeasing the working class (Pivin and Cloward 1971), others may view this as evidence that the government is responsive to the needs of the public and redistributes income on the basis of economic need. However we view the motivations of elected officials, discretion in the disability system does allow elected officials to please their constituents and reduce demands for economic change (Stone 1984). Because it is beneficial to elected officials, it seems unlikely that real reduction in discretion in the disability program will be made regardless of the concern expressed in Congress.

SIGNIFICANCE FOR FUTURE RESEARCH

As we have seen, systematic research on the use of discretion and policy implementation in the fifty states has been focused on regulatory policy areas. This research adds to a growing body of work on redistributive policies, suggesting that redistributive policy areas are—at least during the implementation stage—remarkably similar to regulatory policy areas. Although the policy process may differ between the two types of policies during policy formation (Lowi 1964; Ripley and Franklin 1991), street-level bureaucrats seem to respond to similar factors regardless of the policy type in which they are engaged. Lowi's typology of policies based on the way benefits are distributed does little to increase our understanding of implementation and the use of discretion.

Together with past research, the findings suggest that we should use a different distinguishing characteristic than Lowi's typology to demarcate policy types. The findings suggest that the distinguishing factor between policy types has more to do with the level of conflict during policy formation than with the way benefits are distributed. Conflictual policy areas may be more open to political influence than consensual areas. Instead of focusing on whether a policy is distributive, redistributive, or regulatory, we should focus on levels of conflict. Most research on policy implementation and the use of discretion has focused on conflictual policy areas and ignored consensual areas. Future research should examine the use of discretion and implementation in nonconflictual policy areas.

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APPENDIX

Disability rate: percentage of state population currently receiving Social Security Disability benefits, 1990. Source: *Statistical Abstract of the United States.*

Partisanship: percentage of state legislators belonging to the Democratic party, 1990. Source: *Statistical Abstract of the United States.*

Fiscal stress: ratio of total state revenue minus total state spending to total state spending, 1990. Source: *Statistical Abstract of the United States.*

Manufacturing: number of employees on manufacturing payrolls in the fifty states as a percentage of total employees, 1990. Source: *Handbook of Labor Statistics.*

Aged: percentage of state population ages fifty-four to sixty-four. Source: *Statistical Abstract of the United States.*

Family income: median family income. Source: *Statistical Abstract of the United States.*

AFDC rate: rate of change in percentage of state population receiving AFDC 1981 to 1990. Calculated in regression model with time as independent variable and child support collections as the dependent variable. Source: *Statistical Abstract of the United States.*

SSI supplement: average SSI state supplement. Source: *Statistical Summary of the Social Security Bulletin.*

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